

FREDDIE MAC OPTIGO®

Custody Receipts

SECONDARY MARKET CREDIT RISK TRANSFER FOR SMALL FINANCIAL INSTITUTIONS & CDFIS

FREDDIE MAC GUARANTEE/STRUCTURE	Depositor/Sponsor transfers assets to a custodian in exchange for custodial receipts representing beneficial ownership of the assets as wrapped by Freddie Mac's standby-credit enhancement. Unpaid principal balance (UPB) of custodial receipts adds up to 100% of collateral UPB.
COLLATERAL	Taxable multifamily mortgage loans, 9% Low-Income Housing Tax Credit loans or tax-exempt bonds. Can be a single asset or a pool of assets.
ADVANTAGES	Not a securitization so material cost savings compared with a pool securitization.
INTENDED CUSTOMERS	Small financial institutions, community banks and CDFIs with \$10 billion or less in assets.
POOL/DEAL SIZE	Optimal pool or asset size of \$75 million or greater.
FIRST LOST OBLIGATION	The Depositor/Sponsor is required to maintain a first-loss position in the pool. Freddie Mac credit enhances either: • 100% of assets/custodial receipts with a separate reimbursement obligation for the first-loss amount, or • Less than 100% of assets represented by a senior class, with a subordinate class retained by the Depositor/Sponsor representing the first-loss amount (using typical senior/sub percentages).
COLLATERAL CHARACTERISTICS	• Taxable multifamily loans: min. DCR of 1.20x / max. LTV of 80%. • Tax-exempt bonds and 9% LIHTC loans: min. DCR of 1.05x / max. LTV of 95%. • All loans underwritten based on a 30-year amortization.
COLLATERAL DUE DILIGENCE	Freddie Mac will conduct a full underwriting and legal due diligence review of all the loans, including interior and exterior physical inspections, borrower and guarantor credit, property financials and rent rolls, environmental, compliance, valuation, and collateral files and servicing files.
SERVICING	Servicing of the Collateral will be performed by servicer in accordance with the Freddie Mac Multifamily Seller/Servicer Guide. The servicer must be an Optigo® servicer acceptable to Freddie Mac.